

Memorandum



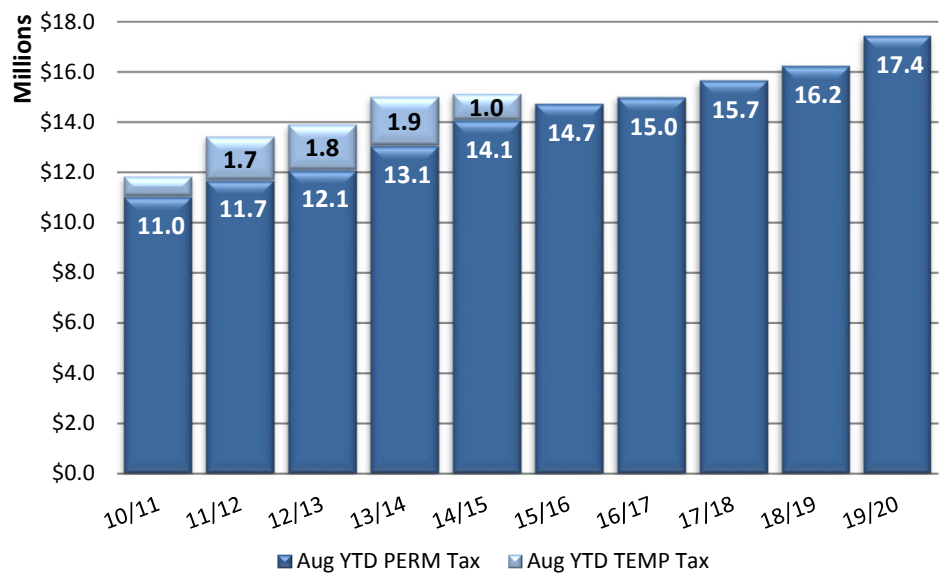
Municipal Budget Office

Date: December 20, 2019
 To: Mayor and Council
 Through: Mark Day, Municipal Budget Director (8697)
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)
 Subject: Tax Revenue Statistical Report – August 2019

Attached is the Executive Summary of the Tax Revenue Statistical Report for August 2019 covering July sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR and processing. Due to limitations in the type of data provided by ADOR, the Executive Summary will no longer include a summary of tax revenues by business districts.

Total taxable sales increased by 7.6% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 7.9% (\$2.1 million), as a result of strong growth in retail (\$742 thousand), rentals (\$529 thousand) and contracting (\$513 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2010/11 through FY 2019/20. General Fund sales tax revenue is up 7.4% (\$1.2 million) over the prior year-to-date period.

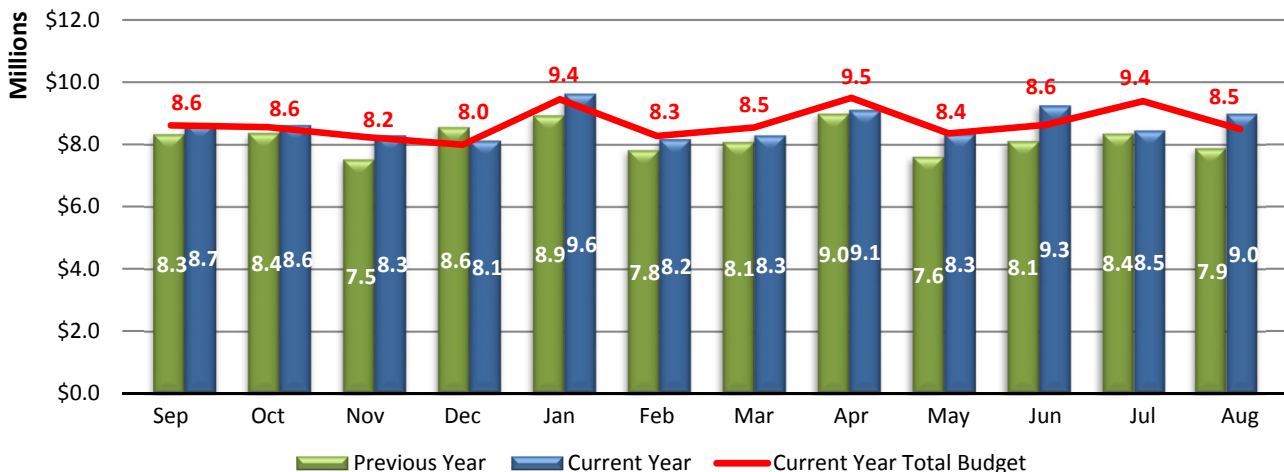
General Fund Sales Tax Collections through August



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year.

Although sales tax is not budgeted on a monthly basis, the graph below applies historical collection percentages to the annual budget to gain insight into sales tax performance. Using this approach, sales tax collections in the General Fund are \$434 thousand below budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - August						Fiscal Year to Date - August									
	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change
Taxable Sales																
Total Taxable Sales	607,767,000	-0.3%	647,762,000	6.6%	684,667,000	5.7%	778,660,000	13.7%	1,299,524,000	2.3%	1,355,024,000	4.3%	1,408,873,000	4.0%	1,516,024,000	7.6%
Retail Taxable Sales	308,069,000	-0.7%	358,778,000	16.5%	380,095,000	5.9%	434,535,000	14.3%	652,168,000	1.4%	756,247,000	16.0%	795,144,000	5.1%	836,392,000	5.2%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,028,000	-0.9%	7,499,000	6.7%	7,880,000	5.1%	8,984,000	14.0%	14,977,000	1.6%	15,661,000	4.6%	16,233,000	3.7%	17,435,000	7.4%
Temporary Privilege Tax - General Fund (0.2%)	8,000	100.0%	-	-100.0%	-	0.0%	-	0.0%	17,000	112.5%	-	-100.0%	-	0.0%	-	0.0%
Transit Tax Fund (0.5%)	2,931,000	-0.8%	3,125,000	6.6%	3,283,000	5.1%	3,746,000	14.1%	6,245,000	1.7%	6,528,000	4.5%	6,764,000	3.6%	7,270,000	7.5%
Performing Arts Tax Fund (0.1%)	607,000	-0.2%	641,000	5.6%	677,000	5.6%	770,000	13.7%	1,289,000	1.9%	1,340,000	4.0%	1,393,000	4.0%	1,496,000	7.4%
Privilege Tax - Rebates	303,000	6.7%	268,000	-11.6%	340,000	26.9%	353,000	3.8%	648,000	5.0%	593,000	-8.5%	681,000	14.8%	728,000	6.9%
Bed Tax - General Fund	320,000	2.2%	355,000	10.9%	399,000	12.4%	454,000	13.8%	757,000	7.8%	744,000	-1.7%	803,000	7.9%	999,000	24.4%
Totals	11,197,000	-0.5%	11,888,000	6.2%	12,579,000	5.8%	14,307,000	13.7%	23,933,000	2.0%	24,866,000	3.9%	25,874,000	4.1%	27,928,000	7.9%
Tax Revenues - Business Activities																
Retail	5,772,000	-1.0%	6,458,000	11.9%	6,842,000	5.9%	7,822,000	14.3%	12,328,000	2.3%	13,612,000	10.4%	14,313,000	5.1%	15,055,000	5.2%
Rentals	1,851,000	3.9%	2,172,000	17.3%	2,279,000	4.9%	2,492,000	9.3%	4,195,000	4.2%	4,295,000	2.4%	4,619,000	7.5%	5,148,000	11.5%
Utilities/Communication	1,064,000	-0.2%	881,000	-17.2%	890,000	1.0%	853,000	-4.2%	1,959,000	-1.5%	1,675,000	-14.5%	1,638,000	-2.2%	1,516,000	-7.4%
Restaurants	899,000	8.1%	899,000	0.0%	943,000	4.9%	1,027,000	8.9%	1,800,000	5.4%	1,881,000	4.5%	1,970,000	4.7%	2,106,000	6.9%
Contracting	941,000	-8.9%	829,000	-11.9%	893,000	7.7%	1,307,000	46.4%	2,077,000	-1.8%	2,004,000	-3.5%	1,830,000	-8.7%	2,343,000	28.0%
Hotel/Motel	155,000	0.6%	135,000	-12.9%	154,000	14.1%	172,000	11.7%	381,000	21.3%	283,000	-25.7%	323,000	14.1%	377,000	16.7%
Transient (Bed Tax)	320,000	2.2%	355,000	10.9%	399,000	12.4%	454,000	13.8%	757,000	7.8%	744,000	-1.7%	803,000	7.9%	999,000	24.4%
Amusements	125,000	-21.9%	107,000	-14.4%	108,000	0.9%	127,000	17.6%	291,000	-27.6%	248,000	-14.8%	247,000	-0.4%	275,000	11.3%
All Other	70,000	-14.6%	52,000	-25.7%	71,000	36.5%	53,000	-25.4%	145,000	-9.9%	124,000	-14.5%	131,000	5.6%	109,000	-16.8%
Totals	11,197,000	-0.5%	11,888,000	6.2%	12,579,000	5.8%	14,307,000	13.7%	23,933,000	2.0%	24,866,000	3.9%	25,874,000	4.1%	27,928,000	7.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,030,000	3.2%	1,110,000	7.8%	1,131,000	1.9%	1,130,000	-0.1%	1,974,000	-2.4%	2,178,000	10.3%	2,232,000	2.5%	2,331,000	4.4%
Building Supply Stores	210,000	0.0%	289,000	37.6%	288,000	-0.3%	313,000	8.7%	451,000	-1.3%	583,000	29.3%	585,000	0.3%	645,000	10.3%
Department Stores	979,000	6.6%	879,000	-10.2%	883,000	0.5%	975,000	10.4%	1,958,000	7.1%	1,825,000	-6.8%	1,890,000	3.6%	1,941,000	2.7%
Drug/Small Stores	584,000	20.4%	820,000	40.4%	977,000	19.1%	1,193,000	22.1%	1,125,000	10.6%	1,673,000	48.7%	2,005,000	19.8%	2,251,000	12.3%
Furniture/Equipment/Electronics	1,110,000	-10.2%	677,000	-39.0%	505,000	-25.4%	580,000	14.9%	2,621,000	-0.7%	1,445,000	-44.9%	1,231,000	-14.8%	1,321,000	7.3%
Grocery Stores	641,000	-0.2%	699,000	9.0%	725,000	3.7%	758,000	4.6%	1,329,000	2.5%	1,425,000	7.2%	1,449,000	1.7%	1,486,000	2.6%
Manufacturing Firms	270,000	-23.7%	447,000	65.6%	611,000	36.7%	777,000	27.2%	649,000	-11.5%	1,121,000	72.7%	1,488,000	32.7%	1,275,000	-14.3%
All Other Retail	948,000	-4.2%	1,537,000	62.1%	1,722,000	12.0%	2,096,000	21.7%	2,221,000	8.0%	3,362,000	51.4%	3,433,000	2.1%	3,805,000	10.8%
Totals	5,772,000	-1.0%	6,458,000	11.9%	6,842,000	5.9%	7,822,000	14.3%	12,328,000	2.3%	13,612,000	10.4%	14,313,000	5.1%	15,055,000	5.2%

**Privilege Tax Revenue - General Fund (1.2%)
2019-20 Actual Compared to Budget**

Monthly Amounts

	2019-20 Budget		2019-20 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 9,384,000	\$ 8,451,000	\$ (933,000)	-9.9%
Aug	8.1%	8,485,000	8,984,000	499,000	5.9%
Sep	8.1%	8,570,000			
Oct	8.8%	9,304,000			
Nov	8.2%	8,650,000			
Dec	8.3%	8,764,000			
Jan	8.5%	8,946,000			
Feb	8.1%	8,519,000			
Mar	8.3%	8,707,000			
Apr	8.5%	8,925,000			
May	8.1%	8,504,000			
Jun	8.2%	8,622,000			
Totals	100.0%	\$ 105,380,000	\$ 17,435,000	\$ (434,000)	-2.5%

Cumulative Amounts

	2019-20 Budget		2019-20 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 9,384,000	\$ 8,451,000	\$ (933,000)	-9.9%
Jul-Aug	17.0%	17,869,000	17,435,000	(434,000)	-2.4%
Jul-Sep	25.1%	26,439,000			
Jul-Oct	33.9%	35,743,000			
Jul-Nov	42.1%	44,393,000			
Jul-Dec	50.4%	53,157,000			
Jul-Jan	58.9%	62,103,000			
Jul-Feb	67.0%	70,622,000			
Jul-Mar	75.3%	79,329,000			
Jul-Apr	83.7%	88,254,000			
Jul-May	91.8%	96,758,000			
Jul-Jun	100.0%	105,380,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 110,381,000	\$ 105,380,000	\$ 5,001,000	4.7%
Percentage Received	\$ 102,821,000	\$ 105,380,000	\$ (2,559,000)	-2.4%